

TESTIMONY OF  
DAN HARE

**TESTIMONY OF DAN HARE  
BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
A.D. HARE WATERWORKS, INC.**

**DOCKET NO. 2001-137-W**

**1 Q. PLEASE STATE YOUR NAME, ADDRESS, AND OCCUPATION**

2 A. My name is Dan Hare. I reside in Pinopolis, South  
3 Carolina. I am the Vice President of A. D. Hare Waterworks,  
4 Inc.

**5 Q. HOW LONG HAVE YOU BEEN ASSOCIATED WITH THAT CORPORATION?**

6 A. I have been an officer ever since we incorporated on January 2, 1983 and was  
7 associated with the business prior to that time when it  
8 was a sole proprietorship, operated by my mother and  
9 father.

**10 Q. HOW MANY CUSTOMERS DOES A.D. HARE HAVE?**

11 A. There are approximately 613 customers.

**12 Q. DO YOU ANTICIPATE ANY EXPANSION OF THE SYSTEM?**

13 A. Our geographical location and the location of the adjoining Berkley County Water and Sewer  
Authority prohibited any large expansion; however, we would  
14 normally add six to eight new customers per year.

**15 Q. ARE YOU FAMILIAR WITH THE RATES PRESENTLY CHARGED BY THE  
16 COMPANY?**

17 A. Yes, I am.

**18 Q. WHEN WERE THOSE RATES APPROVED?**

19 A. The rates were approved on June 3, 1992.

**Q. WHAT RATES ARE YOU PROPOSING IN THIS CASE?**

A. A copy of proposed rates are attached to my testimony as Exhibit A.

1.     **Q.     HOW DID YOU DETERMINE THE PROPOSED RATES?**

2.     A.     We took into account the decrease in consumption. Our consumption is  
3.           down about 850 gallons per month per customer. Also, we took into  
4.           consideration the increased operation costs we have experienced since the  
5.           last rate approval to include an increase in the cost of fuel, electricity, etc.  
6.           We are having increased expenses for replacing old meters. In addition,  
7.           we are having increased costs for replacing old galvanized lines that have  
8.           worn out. Our total cost of operation have simply increased in the  
9.           last decade.

10.    **Q.     WHAT IMPROVEMENTS HAVE YOU RECENTLY MADE TO**  
11.       **TO THE WATER SYSTEM?**

12.    A.     We have replaced well number 9. We have replaced about half of all the  
13.       well houses.

14.    **Q.     DO YOU HAVE A LONG TERM PLAN TO UPGRADE THE**  
15.       **SYSTEM?**

16.    A.     We plan to proceed in a systematic fashion to replace the smaller and  
17.       older lines on the system, especially the galvanized lines and those which  
18.       which serve several houses. We also will finish the replacement of the  
19.       well houses.

20.    **Q.     DO YOU HAVE ANYONE ON CALL AT NIGHT IF A CUSTOMER**  
21.       **HAS AN EMERGENCY?**

22.    A.     We always have a person on call. A customer can reach someone with the  
23.       company twenty-four hours a day.

24. **Q. IN WHAT POSITION DOES YOUR COMPANY PRESENTLY**  
25. **FIND ITSELF TODAY AS FAR AS RATES UNDER THE**  
26. **PRESENT RATE SCHEDULE?**

27. A. We simply cannot continue to operate at a loss. We have decreases the  
28. total personnel to operate the company to only four people. We have tried  
29. to do as much work in house as possible. For example, we do all our  
30. meter repairs in house. There is simple not enough income generated to  
31. properly maintain the system to the extent necessary to ensure adequate  
32. water service to our customers.

33. **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

34. A. Yes,

**EXHIBIT A**

**A. D. HARE WATERWORKS, INC.  
PROPOSED RATES AND CHARGES  
FOR THE TEST YEAR ENDED DECEMBER 31, 2000**

	<b>PRESENT CHARGE</b>	<b>PROPOSED CHARGE</b>	<b>AMOUNT OF INCREASE</b>	<b>INCREASE</b>	<b>PROPOSED REVENUES</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>0%</b>	<b>\$</b>
<b>BASIC FACILITIES CHARGE</b>	<b>8.00</b>	<b>9.95</b>	<b>1.95</b>	<b>24.38%</b>	<b>71,879</b>
<b>COMMODITY CHARGE</b>	<b>2.10</b>	<b>2.95</b>	<b>0.85</b>	<b>40.48%</b>	<b>126,065</b>
Annualized Monthly Charges, Company Exhibit A, Column (5), Line 2:					<b>197,944</b>
Less: Adjusted Annualized Monthly Charges, Company Exhibit A, Column (3), Line 2:					<b>(147,533)</b>
<b>PROPOSED MONTHLY CHARGES</b>					<b>50,411</b>
<b>NEW CUSTOMER CHARGE</b>	<b>20.00</b>	<b>20.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0</b>
<b>RECONNECTION CHARGE</b>	<b>30.00</b>	<b>30.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0</b>
<b>BASIC FACILITIES CHARGE - NEW</b>	<b>0</b>	<b>9.95</b>	<b>9.95</b>		<b>4,060</b>
<b>Total proposed increase, Exhibit A, Column 4, Line 8:</b>					<b>\$54,471</b>

<b>TAP FEES (CONTRIBUTIONS IN AID)</b>	<b>300</b>	<b>500</b>	<b>200</b>	<b>66.67%</b>
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	<b>OLD RATES</b>	<b>NEW RATES</b>
<b>Basic Facilities Charge</b>	<b>\$8.00</b>	<b>\$9.95</b>
<b>Commodity Charge: (5,916 Gals.)</b>	<b>\$12.42</b>	<b>\$17.45</b>
	<b>\$20.42</b>	<b>\$27.40</b>
<b>Less: Present Rates</b>		<b>(\$20.42)</b>
<b>Amount of Proposed Increase:</b>		<b>\$6.98</b>
<b>Percent Increase</b>		<b>34.18%</b>